Application No. 09/476,877   Docket No.: 21736-00010-US
Amendment dated October 11, 2005
Reply to Office Action of June 7, 2005

REMARKS

This amendment is responsive to the rejection contained in the Office Action dated June 7, 2005. The Office Action indicated that claims 87-194 are pending, these claims were rejected except for claims 91, 101, 111, 121, 131, 141, 151, 161, 170, 177, 184, and 191. The later group of claims were not rejected but rather were objected to, the Office Action indicating that they contained allowable subject matter. The indication of allowable subject matter is appreciated, however, as the remarks will show, the references relied on do not justify the rejection of any claims.

This application deals with systems and methods for implementing auctions. There are many different kinds of auctions. One of the references, the ONSALE Publication describes perhaps the simplest auction imaginable. The publication indicates that the online auction takes on one of three formats, either "standard auctions," "dutch auctions," and "mark downs."

The standard auction is described as one in which "an item is placed on sale for a fixed time period and sold to the highest bidder." Note that what is placed ONSALE is "an item". Dutch auctions are described as involving "a number of identical items" which "are offered for sale at the same time period." Here the reference indicates that the "highest bidders purchase the available inventory at the lowest successful bidders price." Finally, the description of the markdown makes it clear that it is not an auction at all.

The other of the two references relied upon is Fujisaki (4,789,928). The reference is entitled "Auction Information Transmission Processing". The accuracy of the title is confirmed by the summary of the invention which indicates that the object of the invention is to provide " an auction information transmission processing system which enables individuals dispersed over a wide area to participate in an auction without gathering at the auction site" (1: 58-61).

23

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Components in the system are arranged in a hierarchical manner. The patent indicates that "a pledge is deemed to be made when the price (presumably someone's bid) reaches a pre-registered sell-off price or in response to a sell-off signal issued by a seller." This information is used to "decide a successful bidder" (2:31-39). Apparently the auction terminates "when a sell-off price is reached or in response to a sell-off signal issued by the seller" (7:30-31).

Thus it appears that the information processing system described in the '928 patent is based on a system in which an auction is terminated based on the bidding reaching a predetermined price or the seller providing a sell-off signal during the course of the bidding. It also appears as if the system is designed to auction a single item at a time since the reference describes determining "a successful bidder".

These are the references which are the basis for the rejection of the claims under 35 USC 103.

The ONSALE Publication describes a standard auction and a dutch auction. The ONSALE Publication standard auction appears to be similar to the auction described in the '928 patent in that a single lot is put up for bid which is won by the highest bidder. In the case of the ONSALE reference the auction is terminated as a function of time. In the '928 patent the auction is terminated when a particular price is reached or when the seller decides that the auction should terminate.

The ONSALE Publication also describes a dutch auction in which a plurality of identical items are auctioned and an equal number of bidders are successful at the price of the lowest successful bidder. Apparently the dutch auction also terminates as a function of time.

In contrast, the invention implements an auction of multiple dissimilar objects. Of the rejected claims 87-194, claims 87, 97, 127, 137, 167 and 174, are independent system claims, whereas claims 107, 117, 147, 157, 181, and 188 are independent method claims.

Applicant submits that the claims distinguish from either reference taken singly or the references combined, for a host of reasons.

24

In particular different ones of the claims distinguish from the combination of references because:

Claims are directed to the implementation of an auction where a single auction deals with different items. There is no such teaching in either of the references relied on.

Claims are directed to a computer implemented method or system which determines when to terminate an auction based on bids received from user systems. In contrast the references disclose either

a) an auction which terminates based on the expiration of a predetermined time (ONSALE), or

b) an auction which terminates based on the bidding reaching a predetermined price ('928). This is an example of a termination based on receipt of a single bid from a single user, or

c) an auction which terminates when the seller (a person) determines the auction should terminate. This is not a computer implemented method or system, but rather a manual system which depends on the conclusions of a person.

Claims are directed to a computer implemented auction method or system for determining, based on the bids, the items to be assigned to the users where the (one or a single) auction deals with different items. Neither reference discloses such an auction.

The apparatus claims 87 and 97 call for "means for transmitting bid information. . . at least one of the bids including a set identification S_i identifying at least two different items".

Apparatus claims 127 and 137 call for "means for receiving bid information. . . at least one of the bids including a set identification S_i identifying at least two different items". Claims 167 and 174 are similar. The method claims include corresponding recitations.

Claims 127-166 are even more specific by calling for a (that is one or a single) auction to auction different items.

Claim 127 recites "A system for conducting a computer-implemented auction of a plurality of items among a plurality of users, at least some of said items being dissimilar".

25

Claim 137 recites "A system for conducting a computer-implemented auction of dissimilar items, including multiple instances of each of plural dissimilar items".

Claim 147 recites "A method for conducting a computer-implemented auction of a plurality of items among a plurality of users, at least some of said items being dissimilar".

Claim 157 recites "A method for conducting a computer-implemented auction of dissimilar items, including multiple instances of each of plural dissimilar items".

Applicant argued that neither reference described an auction where a bid identified at least two different items. The Office Action acknowledges this argument. Surprisingly the Office Action continues that "the combined references does [sic] not explicitly state a set of identification S_i identifying at least two different items with two different types of items." In short, the Office Action admits that neither of the references teach the subject matter recited in every claim in the application. The Office Action continues that "the Examiner asserts that the types of items whether they are the same or different are not a measure of patentable difference apart from the combined references as such does not bring any new or unobvious functions different from the combined references."

The Examiner is wrong. The ability to auction multiple items at the same time in a single auction brings about a significantly increased flexibility to the auction. The specification notes that some of the embodiments described in the application "emphasized the additional aspects of the inventive system rendering it suitable for situations with dissimilar items, where bidders would find it useful to be able to bid on sets of items" (45/30-46/2). The specification continues

"The fully-dynamic auction design may be thought of as a multi-unit generalization of the English auction for a single object. By the English auction, I mean the traditional method of auction used by auction houses such as Sotheby's and Christie's, where users successfully raise each other's bids, until no new bids are entered. Clearly such an auction method can be implemented on the inventive system. However, the English auction faces the severe limitation that bids are one-dimensional, and so the method can only be used for the auction of a single parcel at a time. In order to auction multiple parcels in an English auction, it is necessary to auction the parcels in sequence, one after another. If the parcels are related, sequential auctioning is inefficient, as the prices of the last items may be out of line with the prices of the first items, and it becomes difficult for bidders to assemble the desired packages of items. This is particularly an issue when there exists synergies between the various items

26

being auctioned: for example, in the case of related telecommunications licenses, or contiguous parcels of land." (46/9-21)

In other words, there is a significant advantage in being able to auction sets of objects or items, as is the case in the rejected claims. In short, it is a significant advantage of the invention that bidders can bid on multiple types of items in a single auction. The Examiner has admitted that this subject matter is not contained in either reference. Applicant submits that this subject matter alone should carry the patentability of all the claims in the application.

The system claims 87-106 and 167-180 call for "means for determining...whether the auction should continue or terminate" based on the bids or the bid information. The method claims 107-126 and 180-194 recite corresponding subject matter. The statement of rejection (page 3) argues that Fujisaki "discloses a decision means responsive to the bid information received from the user systems for determining whether an auction should continue or terminate". This assertion is not supported in the reference. As already been noted, the reference describes that an auction terminates when a particular sell-off price is reached or when a sell-off signal is issued by the seller (7:30-31). In either case, the decision to terminate is based on either the predetermined sell-off price or when the seller decides to issue a sell-off signal. At most the decision to terminate is based on a single bid – the bid which reaches the sell-off price. However the claims are specific that the termination is based on information from the user systems or "the bid information". But the winning bid which effects the termination of the auction in the '928 patent comes from a single user system – this is not what is claimed.

Claim 87 calls for "decision means responsive to the bid information **received from the user systems** for determining whether an auction should continue or terminate".

Claim 97 calls for "decision means responsive to the bid information **received from the user systems** for determining whether an auction should continue or terminate".

Claim 107 calls for "determining at a computer in response to **the bid information, whether the auction should continue or terminate**".

27

Claim 117 calls for "determining at a computer, in response to the bid information, whether the auction should continue or terminate".

Claim 127 calls for "means for transmitting signals based on the bid information" and "means at a computer for determining, based on the signals, the items to be assigned to the users".

Claim 137 calls for "means for transmitting signals based on the bid information" and "means at a computer for determining, based on the signals, the items to be assigned to the users".

Claim 147 calls for "transmitting signals based on the bid information" and "determining at a computer, based on the signals, the items to be assigned to the users".

In the Office Action, the Examiner relies on col. 7, lines 24-27 and 53-51. The text of the reference in col. 7, lines 24-27 does not disclose the presence of a decision means or a step of determining. Rather, in lines 27-31 the reference recites exactly what the Applicant has asserted in that the auction is terminated when a sell-off price is reached or in response to a sell-off signal issued by the seller.

The rejection also relies on the text at col. 7, lines 51-53. This text deals with "slowing down of the rate at which the bid-up signals SP are issued upon a passage of a predetermined period of time or when a predetermined count is reached". There is no mention here of a decision means or a step of determining whether the auction should be terminated.

The statement of the rejection also relies on the text at col. 10, lines 32-59. In this passage, the reference describes the subject matter of the flowchart of Fig. 13. The only pertinent part of Fig. 13 is the sell-off processing which is implemented based on a sell-off signal (issued by the seller) as asserted by the Applicant or reaching the "sell-off price" which is the other factor. Again, the reference does not teach the subject matter of the claims in calling for means for determining when the auction should be terminated, based on the bids or the step of determining whether to terminate the auction based on the received bids as is called for in the rejected claims. Finally, the statement of rejection relies on col. 13, lines 21-27. In this passage,

28

the text deals with the action taken relative to a "price ceiling". What this has to do with a means or step for determining whether the auction should terminate, is not at all apparent. There is no other statement in the Office Action asserting the presence of the claimed subject matter. Since the subject matter is not present in either of the references, the Applicant asserts that claims 87-126 and 167-194 are patentable for this additional reason.

Apparatus claims 127-146 call for "means at a computer for determining based on the signals, the items to be assigned to the users, said determining means including selecting means which selects bids to maximize a function of the value parameters P_i of the selected bids". The method claims 147-166 include corresponding subject matter. Rather than arguing that the ONSALE reference or the Fujisaki reference describes this subject matter, the Office Action argues that "maximizing a function of the value parameters of selected bids would have been obvious to one of ordinary skill in the art to do in the combination of the ONSALE system and Fujisaki so as relate to the highest bidding price to the related item being auction". Applicant submits that the Examiner cannot finesse claimed subject matter by admitting "in effect" that neither reference discloses the claimed subject matter but somehow the claimed subject matter "would have been obvious". However it is just these claims which call for a single auction to auction different items. Selecting bids to maximize a function of the value parameters, where the bids cover different items, is quite different from identifying that bid (for one lot or item) which carries the highest value. The single dimensioned bid (i.e., one price) is the subject matter of the references, not what is claimed here, maximizing a function of the value parameters where there are different items being accounted for. There is no relation between the references and the claimed subject matter.

Claim 157 calls for "transmitting signals based on the bid information" and "determining at a computer, **based on the signals**, the items to be assigned to the users".

Claim 167 calls for "means for determining at a computer, in response **to the bid information**, whether the auction should continue or terminate".

Claim 174 calls for" means for determining at a computer, in response **to the bid information**, whether the auction should continue or terminate".

29

Claim 181 calls for "determining at a computer, in response **to the bid information,** whether the auction should continue or terminate".

Claim 188 calls for "determining at a computer, in response **to the bid information,** whether the auction should continue or terminate".
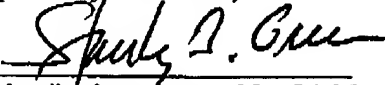
The statement of rejection continues that "it should be noted that if there are a plurality of different items where different bids are continuously placed thereon as in the combination of ONSALE and Fujisaki, the selection of the highest bids would be disjoint". Applicant submits the statement that it has nothing to do with either of the references. Applicant has already pointed out that in the ONSALE reference the standard auction deals with one item at a time, the Dutch auction deals with a plurality of identical items. In other words, the ONSALE reference does not teach an auction dealing with "a plurality of different items". Likewise, the Fujisaki reference, to the extent that it relates to operation of an auction at all, relates to auctions where "an item" is auctioned. In other words, there is no teaching of auctioning "a plurality of different items". Accordingly, the statement in the Rejection appears to be based on speculation.

Applicants submits that claims 127-166 are patentable because the references taken either singly or in combination do not reach the subject matter of cause C in these claims.

In view of the above, Applicant believes the pending application is in condition for allowance.

Dated: October 12, 2005

Respectfully submitted,

By _____

Stanley B. Green, Reg. No. 24,351
CONNOLLY BOVE LODGE & HUTZ LLP
1990 M Street, N.W., Suite 800
Washington, DC 20036-3425
(202) 331-7111
(202) 293-6229 (Fax)
Attorney for Applicant

30